

**Nebraska
County/City Lottery
Annual Report**

Form 35K



C H A R I T A B L E

G A M I N G

Forms can also be accessed and completed on our Web site: www.revenue.ne.gov/gaming

IMPORTANT — PLEASE READ

This booklet contains the Nebraska County/City Lottery Annual Report, Form 35K, which is to be completed and filed with the Nebraska Department of Revenue by any county, city, or village which held a county/city lottery (keno) license during its most recently completed fiscal year.

Reg-35-622.04 of the County and City Lottery Regulations states:

In the case of a keno lottery, each county, city, or village shall file with the Department an annual report of its keno lottery activity. The annual report shall be on a form prescribed by the Department unless otherwise authorized by the Department. A county, city, or village may submit a written request to the Department to obtain authorization to deviate from the annual report format prescribed in this regulation. Such request shall include a description of the alternative format proposed.

All parts of the annual report must be completed and filed with the Department. The annual report must cover the fiscal year of the county, city, or village and be filed with the Department within 90 days of the end of the period covered by the report. In the event a county, city, or village cancels its license or allows such license to expire prior to the end of the reporting period, a final report must be filed with the Department within 90 days of the date the license was canceled or expired. Instructions for the completion of each section of the report are printed on each form. Failure to file a complete, true, and accurate report or not filing the report by the required due date are violations of the County and City Lottery Regulations and may jeopardize your eligibility to hold a license and/or result in the imposition of an administrative fine.

The initial annual report will be required for the 2005-06 fiscal year of your county, city, or village. For most cities and all villages, this means the initial report will cover the period October 1, 2005 through September 30, 2006 or the 15-month period July 1, 2005 through September 30, 2006. The completion and filing of the annual report replaces the financial summary previously completed and submitted to the Department in conjunction with the performance of the Annual Agreed-Upon Procedures by an independent certified public accountant.

The annual report is also available in a “fill-able format” on the Department of Revenue’s Web site: **www.revenue.ne.gov/gaming**.

If you have any questions regarding the completion of the annual report or any other related questions, please contact Gerald Otoupal (402) 471-5940 or call toll free (877) 564-1315.



Nebraska County/City Lottery Annual Report

for the fiscal year or short reporting period

beginning _____, 20____ and ending _____, 20____

FORM
35K
Page 1

PLEASE DO NOT WRITE IN THIS SPACE

Name of County/City/Village (Sponsor)

Nebraska Identification Number

35—

Name of Lottery Operator

Lottery Operator's Nebraska Identification Number

35—

Method of Accounting

☐

Cash

☐

Accrual

☐

Other _____

PART A — GROSS PROCEEDS AND EXPENSES/DISBURSEMENTS

• Do not include disbursements for community betterment expenditures

Income:

1 Gross proceeds.....	1	\$	
2 Prizes paid	2		
3 Net proceeds (line 1 minus line 2).....	3		

Expenses/disbursements during reporting period:

4 Lottery operator commissions.....	4	\$	
5 State lottery taxes	5		
6 License fees	6		
7 Audit and legal fees.....	7		
8 Other expenses/disbursements (attach itemized list).....	8		
9 Total expenses/disbursements (total of lines 4 through 8)	9	\$	
10 Net profit available for distribution (line 3 minus line 9).....	10	\$	

PART B — MISCELLANEOUS INFORMATION

- 1 Was a daily summary report of cash over/short maintained by each keno location? ☐ YES ☐ NO
- 2 Were the daily net proceeds from the monthly keno system transaction log summaries reconciled to actual deposits on the keno operating bank statements by the county/city/village? ☐ YES ☐ NO

Under penalties of law, I declare that as a governing official of the county/city/village of _____
I have examined this report, including accompanying schedules and statements, and to the best of my knowledge and belief, it is
complete, true and accurate.

This report will be/was made available to the residents of the county/city/village of _____ on

Date

**sign
here**

Signature of Preparer

Date

()

Daytime Telephone Number

Print Name of Preparer

Address

City/State

Zip Code

Signature of Governing Official

Title

()

Daytime Telephone Number

Print Name of Governing Official

Address

City/State

Zip Code

This report and statements are **due within 90 days of the end of the reporting period.**

Mail to: **NEBRASKA DEPARTMENT OF REVENUE, P.O. BOX 94855, LINCOLN, NE 68509-4855**

INSTRUCTIONS

WHO MUST FILE. Every county, city, or village licensed to conduct a county/city lottery (keno) must report annually to the Nebraska Department of Revenue a complete and accurate accounting of the gross proceeds from its lottery (keno). The annual report is to cover the fiscal year of the county, city, or village. The beginning and ending dates of the report must be entered in the space provided at the top of the form.

METHOD OF ACCOUNTING. The report is to be prepared using the accounting basis of the county, city, or village: cash, accrual, or other. Cash basis accounting is the practice of recording income and expense only when received or paid out. Accrual basis of accounting is a method of keeping accounts which shows expenses incurred and income earned for a given period, although such expenses and income may not have been actually paid or received.

WHEN AND WHERE TO FILE. The annual report must be filed with the Nebraska Department of Revenue within 90 days of the end of the reporting period. If a county, city, or village cancelled or lapsed its license during the reporting period, a final report must be filed with the Department within 90 days of the cancellation date of the license.

SPECIFIC INSTRUCTIONS

LINE 1. Enter the gross proceeds of the lottery for the reporting period without any reduction for prizes, discounts, taxes, or expenses. Gross proceeds is the sum of the daily “net write or net handle” (total wagers minus voided tickets) for the reporting period. It includes the face value of free play tickets, games, or coupons used or redeemed. **Note: It is essential that the gross proceeds have been reconciled to the transaction totals of the computerized keno system for the entire reporting period.**

LINE 2. Enter the total lottery prizes paid for the reporting period. Prizes paid is the sum of daily prize payments (total “paid”) for the reporting period. Include both prizes paid in cash and prizes paid by check. **Note: It is essential that the prizes paid have been reconciled to the transaction totals of the computerized keno system for the entire reporting period.**

LINE 4. Enter the amount of lottery operator commissions paid or incurred by the county, city, or village for the reporting period.

LINE 5. Enter the amount of state lottery taxes paid or incurred by the county, city, or village for the reporting period. Do not include any federal or local taxes.

State taxes is the sum of county/city lottery (keno) taxes reported on the Nebraska Tax Return, Form 51C, for each quarter of the reporting period.

LINE 6. Enter the amount of state license fees paid or incurred by the county, city, or village for the reporting period. License fees are the cost of all licenses obtained from the Department by the county, city, or village for the purpose of conducting lottery (keno). **Do not include any federal or local fees.**

LINE 7. Enter the amount of audit and legal fees paid or incurred by the county, city, or village for the reporting period. Audit and legal fees include all expenses relating to (a) the government organization of the lottery, (b) government maintenance, monitoring, and examination of lottery records, and (c) enforcement, regulatory, administrative, investigative, and litigation functions incurred by the county, city, or village, but does not include the expenses of the actual conduct of the game.

LINE 8. Enter the amount of any other county/city lottery expenses paid or incurred by the county, city, or village for the reporting period. This includes all costs associated with the purchasing, printing, or manufacturing of any item to be used or distributed in the lottery, all office or clerical expenses connected with the lottery, and all salaries of persons employed to operate the lottery. Do not include state lottery taxes, license fees, and audit and legal fees included in lines 5, 6, and 7. Attach an itemized list of such expenses, indicating the nature of each expense and the corresponding amount.

AUTHORIZED SIGNATURES. The individual who prepared the annual report must sign in the space provided. The annual report must also be signed by a governing official of the county, city, or village. A governing official is the chief executive officer of the county, city, or village or any other elected or appointed official, including a governing board member, who has any decision-making responsibility regarding the conduct and operation of the county/city lottery (keno) activity.

**NEBRASKA SCHEDULE I — Bank Account Information****FORM
35K
Page 2**

• Attach this page to Form 35K (page 1)

Name of County/City/Village (Sponsor) as Shown on Form 35K

Nebraska Identification Number

35—

- Enter information from bank statement for each account maintained for revenues from county/city lottery (keno)
- Attach additional sheet(s) if necessary

	KENO OPERATIONS BANK ACCOUNTS		
Bank account number			
Name of financial institution			
Address of financial institution			
City, state, zip code of financial institution			

ACCOUNT ACTIVITY FOR THE PERIOD COVERED BY THIS REPORT

1 Balance at fiscal year or short period beginning date	1	\$	\$	\$
2 Deposits	2			
3 Interest earned	3			
4 Subtotal (total of lines 1 through 3)	4	\$	\$	\$
5 Disbursements (checks and withdrawals)	5			
6 Balance at fiscal year or short period ending date (line 4 minus line 5)	6	\$	\$	\$
7 Amount of lottery (keno) cash on hand or deposits in transit as of the start of fiscal year or the short period starting (see instructions)	7			\$
8 Amount of lottery (keno) cash on hand or deposits in transit as of the end of fiscal year or the short period ending (see instructions)	8			
9 Prizes paid by check and withdrawals for keno cash (i.e. fills) during the reporting period	9			
10 Ending balance in the prize reserve accounts as of fiscal year or the short period ending date	10			
11 Ending balance in the community betterment account as of fiscal year or short period ending date	11			
12 Deposits into the keno operations account other than daily keno receipts (i.e. transfers from prize reserve, operator, community betterment or any other accounts, etc.) Attach itemized schedule	12		\$	

INSTRUCTIONS

For the purpose of this report, the separate bank account used for the deposit of the daily proceeds of the county/city lottery (keno), the payment of prizes, the payment of lottery commissions, and the distribution of profits to the county, city, or village will be referred to as the “keno operations bank account.” The activity for this account should be reported in the left-hand column above. If the lottery operator uses one or more other bank accounts to facilitate record keeping, these accounts should be reported in the additional columns provided. If more space is required, attach an additional sheet. The sum of all columns will be considered the entire keno operations bank account.

For each type of bank account used for the proceeds of the county/city lottery (keno), identify the account number and the name and address of the financial institution where such account is maintained. Attach copies of the beginning and ending bank statements for each account listed.

LINE 1. Enter the balance of the bank account(s) as of the beginning date of the reporting period.

LINE 2. Enter the total amount of deposits made to the bank account(s) during the reporting period.

LINE 3. Enter the total amount of interest credited to the bank account(s) during the reporting period.

LINE 5. Enter the total amount of disbursements/withdrawals from the bank account(s) during the reporting period.

LINE 7. Enter the total amount of cash on hand (e.g. writer cash drawers, cash reserves, etc.) as of the beginning date of the reporting period. Include the amount of deposits in transit (not recorded in bank account).

LINE 8. Enter the total amount of cash on hand (e.g. writer cash drawers, cash reserves, etc.) as of the ending date of the reporting period. Include the amount of deposits in transit (not recorded in bank account).

LINE 9. Enter the total amount of prizes paid by check and any account withdrawals (check or cash) to replenish cash on hand.

LINE 10. Enter the balance as of the ending date of the reporting period of any prize reserve account

maintained by the county, city, or village as of the end of the reporting period. **Note: Do not include the ending balance of any account reported on line 6.**

LINE 11. Enter the balance as of the ending date of the reporting period of any community betterment accounts maintained by the county, city, or village. **Do not include the ending balance of any account reported on line 6.**

LINE 12. Enter the total amount of deposits made to the keno bank account(s) during the reporting period that were not from the daily proceeds of the county/city lottery (keno). This would include fund transfers from the lottery operator bank account, fund transfers from any prize reserve bank account, fund transfers from the community betterment account, or fund transfers from any other accounts. It would also include any amounts credited/refunded by suppliers or similar credit/refund amounts.